

MARKETING OF NUTMEG IN KERALA

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Objective: To study the marketing practices and economics of marketing of Nutmeg in Kerala.

Introduction

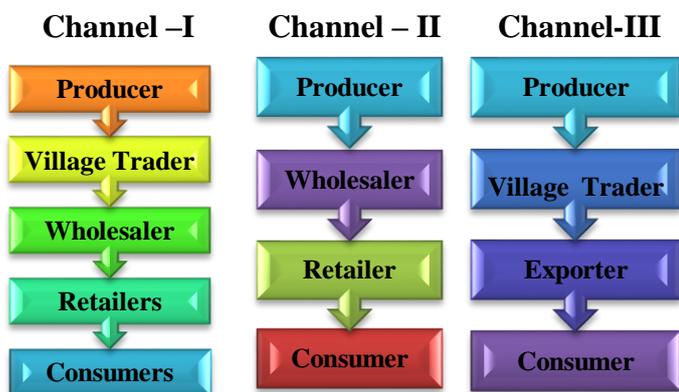
- India is a major nutmeg producing country in the world, with an area of 21,465 ha and production of 14,280 tonnes in Triennium Ending (TE) 2016-17.
- In Kerala nutmeg crop shares 97.2 per cent of the area and 98.2 per cent of the production in the country during TE 2016-17 (Spices Board,2018).
- For the past 18 years, from 2000-01 to 2017-18, nutmeg area and production increased by 237.6 per cent and 773 per cent, respectively.
- As nutmeg being consumed all the country, and it is exported in raw form or as different value added products, hence study of marketing practices is important.

Methodology

Source of data and period of study: Primary data randomly collected from 120 nutmeg farmers of Thrissur and Ernakulam districts, 15 village traders, 10 wholesalers and 5 exporters throughout Kerala during 2017-18.

Results

Marketing Channels



Major market intermediaries are village traders, wholesalers, retailers and exporters. Majority of the farmers sell their produce to the wholesalers, as they offer higher price for the produce. Retailers purchase nutmeg and mace from the wholesalers and sell it to consumers. There is greater demand for nutmeg in the international market and exporting ensures assured higher price.

Marketing efficiency

Sl. No	Channel	Channel I		Channel II		Channel III	
		Nutmeg	Mace	Nutmeg	Mace	Nutmeg	Mace
1	Marketing cost	62	52	47	42	79	73
2	Marketing margin	30	49	18	30	47	77
3	Price spread	92	109	67	72	126	150
4	Producer's share in consumer's rupee	73.09	89.98	83.58	94.02	63.5	86.36
5	Marketing efficiency	3.71	9.88	5.00	14.88	2.74	7.33

Marketing channel II for both nutmeg and mace had the lowest marketing cost and marketing margin than the other two channels (Channel I and Channel III) showing highest marketing efficiency of five for nutmeg and 14.88 for mace.

Constraints faced by farmers in marketing of nutmeg

Sl. No	Constraints/ Category	Garret score	Rank
1	Low price of produce	62.35	1
2	Non availability of drying and storage facilities	48.42	2
3	Lack of processing unit for value addition	3.23	3

Garrett ranking technique was used to rank the constraints in marketing. The peak harvesting period coincides with the south west monsoon which leads to fungal infection and formation of aflatoxin. Farmers add chemicals, toxic substances and traders carry out sulphur fumigation to extend the storage period. There is lack of knowledge about value chain of nutmeg being exported.

References

- Acharya, S. S. and Agarwal, N. L. 1987. *Agricultural Marketing in India*. Oxford and IBH publishers, Bombay, 366p.
- Spices board. 2018. Major spice wise area and production[on-line].Available: <http://indianspices.com/sites/default/files/majorstatewise%20areaproduction%202018.pdf>[4Dec2018]